

VILLAGE OF DECKERVILLE

**REPORT ON FINANCIAL STATEMENTS
(With Additional Information)**

MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name VILLAGE OF DECKERVILLE	County SANILAC
Audit Date 3-31-2004	Opinion Date 5-26-2004	Date Accountant Report Submitted to State: 7-8-2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan as revised. Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.			
Street Address 715 E FRANK STREET	City CARL	State MI	ZIP 48723
Accountant Signature <i>Jaime Anderson CPA</i>			

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ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA

Robert L. Tuckey, CPA
Valerie Jamieson Hartel, CPA
Jamie L. Peasley, CPA

May 26, 2004

REPORT OF INDEPENDENT AUDITORS

Honorable Village Council
Village of Deckerville
Deckerville, Michigan 48427

We have audited the accompanying general purpose financial statements of the Village of Deckerville, as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Village has not maintained a record of its general fixed assets and, accordingly, a statement of general fixed assets, required by generally accepted accounting principles is not included in the financial report.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Village of Deckerville, as of March 31, 2004, and the results of its operations and cash flow of its proprietary fund for the year then ended in conformity with U.S. generally accepted accounting principles.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

GENERAL PURPOSE FINANCIAL STATEMENTS

VILLAGE OF DECKERVILLE
COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>PROPRIETARY FUND TYPES</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>ENTERPRISE</u>
<u>ASSETS</u>			
Cash	\$ 516,674	\$ 172,956	\$ 298,273
Accounts receivable	-	-	51,722
Fixed assets (net)	-	-	583,757
Amount to be provided for payment of general long-term debt			
<u>TOTAL ASSETS</u>	<u>\$ 516,674</u>	<u>\$ 172,956</u>	<u>\$ 933,752</u>
<u>LIABILITIES & FUND EQUITY</u>			
Liabilities:			
Accounts payable			-
Notes payable - long-term	-		-
Total Liabilities	-	-	-
Fund equity:			
Contributed capital	-	-	\$ 290,616
Retained earnings:			
Unreserved	-	-	643,136
Fund balance:			
Undesignated	\$ 365,735	-	-
Designated	150,939	\$ 172,956	-
Total Fund Equity	516,674	172,956	933,752
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 516,674</u>	<u>\$ 172,956</u>	<u>\$ 933,752</u>

The accompanying notes are an integral part of the financial statements.

<u>FIDUCIARY FUND TYPES</u>	<u>ACCOUNT GROUP</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<u>TRUST AND AGENCY</u>	<u>GENERAL LONG-TERM DEBT</u>	<u>MARCH 31, 2004</u>
\$ 1,465		\$ 989,368
-		51,722
-		583,757
	\$ 232,633	232,633
<u>\$ 1,465</u>	<u>\$ 232,633</u>	<u>\$ 1,857,480</u>

\$ 1,465		\$ 1,465
	\$ 232,633	232,633
1,465	232,633	234,098
-		290,616
-		643,136
-		365,735
-		323,895
-		1,623,382
<u>\$ 1,465</u>	<u>\$ 232,633</u>	<u>\$ 1,857,480</u>

VILLAGE OF DECKERVILLE
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTALS</u> <u>(MEMORANDUM ONLY)</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>MARCH 31, 2004</u>
REVENUES:			
Taxes	\$ 270,129	\$ 143,247	\$ 413,376
Intergovernmental Revenue			
State & Federal	118,716	85,397	204,113
License, Permits and Fees	2,419		2,419
Fines and Forfeitures	676		676
Charges for Services	156,311		156,311
Grants	52,150		52,150
Interest Income	10,764		10,764
Miscellaneous	4,699	4,889	9,588
TOTAL REVENUE	<u>615,864</u>	<u>233,533</u>	<u>849,397</u>
EXPENDITURES:			
Administration	218,467	-	218,467
Fire Protection	62,888	-	62,888
Police	83,053	-	83,053
Ambulance	13,220	-	13,220
Public Works	47,989	-	47,989
Parks	53,783	-	53,783
Streets		153,940	153,940
TOTAL EXPENDITURES	<u>479,400</u>	<u>153,940</u>	<u>633,340</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>136,464</u>	<u>79,593</u>	<u>216,057</u>
OTHER FINANCING SOURCES (USES)			
Loan Proceeds	271,684	-	271,684
Loan Repayments	(39,051)	-	(39,051)
TOTAL OTHER FINANCING SOURCES (USES)	<u>232,633</u>	<u>-</u>	<u>232,633</u>
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	<u>369,097</u>	<u>79,593</u>	<u>448,690</u>
FUND BALANCE - APRIL 1	<u>147,577</u>	<u>93,363</u>	<u>240,940</u>
FUND BALANCE - MARCH 31	<u>\$ 516,674</u>	<u>\$ 172,956</u>	<u>\$ 689,630</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DECKERVILLE
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE
BUDGET & ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Taxes	\$ 242,366	\$ 270,129	\$ 27,763
Intergovernmental Revenue			
State & Federal	117,100	118,716	1,616
License, Permits and Fees	1,190	2,419	1,229
Fines and Forfeitures	800	676	(124)
Charges for Services	106,230	156,311	50,081
Grants	52,635	52,150	(485)
Interest Income	-	10,764	10,764
Miscellaneous	38,471	4,699	(33,772)
TOTAL REVENUE	558,792	615,864	57,072
EXPENDITURES:			
Administration	234,121	218,467	15,654
Fire Protection	110,369	62,888	47,481
Police	95,490	83,053	12,437
Ambulance	12,500	13,220	(720)
Public Works	50,296	47,989	2,307
Parks	56,016	53,783	2,233
Streets	-	-	-
TOTAL EXPENDITURES	558,792	479,400	79,392
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	136,464	136,464
OTHER FINANCING SOURCES (USES)			
Loan Proceeds	-	271,684	271,684
Loan Repayments	-	(39,051)	(39,051)
TOTAL OTHER FINANCING SOURCES (USES)	-	232,633	232,633
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	-	369,097	369,097
FUND BALANCE - APRIL 1	147,577	147,577	-
FUND BALANCE - MARCH 31	\$ 147,577	\$ 516,674	\$ 369,097

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUND TYPES		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 130,185	\$ 143,247	\$ 13,062
84,716	85,397	681
2,257	4,889	2,632
217,158	233,533	16,375
		-
171,928	153,940	17,988
171,928	153,940	17,988
45,230	79,593	34,363
-	-	-
-	-	-
-	-	-
45,230	79,593	34,363
93,363	93,363	-
\$ 138,593	\$ 172,956	\$ 34,363

TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 372,551	\$ 413,376	\$ 40,825
201,816	204,113	2,297
1,190	2,419	1,229
800	676	(124)
106,230	156,311	50,081
52,635	52,150	(485)
-	10,764	10,764
40,728	9,588	(31,140)
775,950	849,397	73,447
234,121	218,467	15,654
110,369	62,888	47,481
95,490	83,053	12,437
12,500	13,220	(720)
50,296	47,989	2,307
56,016	53,783	2,233
171,928	153,940	17,988
730,720	633,340	97,380
45,230	216,057	170,827
-	271,684	271,684
-	(39,051)	(39,051)
-	232,633	232,633
45,230	448,690	403,460
240,940	240,940	-
\$ 286,170	\$ 689,630	\$ 403,460

VILLAGE OF DECKERVILLE
COMBINED STATEMENT OF REVENUE, EXPENSES
AND CHANGE IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>ENTERPRISE FUND</u>
	<u>WATER/SEWER</u>
OPERATING REVENUES:	
Water & sewer system sales	\$ 101,788
Other services, charges & sales	23,474
	<hr/>
TOTAL OPERATING REVENUE	125,262
	<hr/>
OPERATING EXPENSES:	
Salaries & wages	46,488
Employee benefits	12,374
Operating supplies	2,748
Professional fees	1,900
Insurance	3,551
Utilities	8,763
Repairs & maintenance	46,454
Depreciation	54,710
Equipment rental	14,437
Capital Outlay	1,652
Miscellaneous	3,129
	<hr/>
TOTAL OPERATING EXPENSES	196,206
	<hr/>
OPERATING INCOME (LOSS)	(70,944)
	<hr/>
NON-OPERATING REVENUE (EXPENSES)	
Current tax collection	39,885
Interest earned	7,249
	<hr/>
TOTAL NON-OPERATING REVENUE (EXPENSES)	47,134
	<hr/>
NET INCOME (LOSS)	(23,810)
	<hr/>
ADD: Amortization of fixed assets acquired by grant which reduces contributed capital	30,322
	<hr/>
INCREASE IN RETAINED EARNINGS	6,512
	<hr/>
RETAINED EARNINGS/FUND BALANCE - APRIL 1	636,624
	<hr/>
RETAINED EARNINGS/FUND BALANCE - MARCH 31	\$ 643,136
	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DECKERVILLE
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>ENTERPRISE FUND</u>
	<u>WATER/SEWER</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income (loss)	\$ (23,810)
ADJUSTMENT TO RECONCILE NET INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES:	
Depreciation	54,710
CHANGE IN CURRENT ASSETS AND LIABILITIES:	
(Increase) decrease in accounts receivable	14,094
(Increase) decrease in due from other funds	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>44,994</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital expenditures	<u>(30,000)</u>
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	<u>(30,000)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	14,994
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>283,279</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 298,273</u></u>

Disclosure of Accounting Policy:

For purposes of reporting cash flows, cash and cash equivalents includes cash on hand, demand deposits in banks, and balances of certificates of deposit.

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DECKERVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF VILLAGE OPERATIONS AND FUND TYPES:

The Village of Deckerville was organized in 1893 as a general law village with a fiscal year of April 1 through March 31. The Village is located in Sanilac County, Michigan. The Village operates under a Mayor-Council form of government. The Village provides various services to its residents including public safety (police, fire protection, and ambulance service), public works, parks and general administrative services.

REPORTING ENTITY:

In accordance with U.S. generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", these financial statements present the Village of Deckerville (the primary government) and its component units. The criteria established by the GASB for determining the reporting entity include oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

BASIS OF PRESENTATION:

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

GOVERNMENTAL FUNDS:

Governmental funds include the following fund types:

General Fund:

This fund is used to account for all financial resources except those provided for in another fund. Revenues are primarily derived from property taxes, State and Federal aid, and charges for services to provide for the administration and operation of: (1) general Village governmental departments, boards and commissions; (2) court systems; (3) law enforcement; and (4) health, welfare and medical assistance. The fund includes the general operating expenditures of the Village.

Special Revenue Funds:

These funds are used to account for specific revenue (other than special assessments, expendable trusts, or major capital projects) derived from State and Federal grants, General Fund appropriations and charges for services which are to be expended for specific purposes as dictated by legal, regulatory or administrative requirements.

PROPRIETARY FUNDS:

Enterprise Funds:

These funds account for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

VILLAGE OF DECKERVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

FIDUCIARY FUNDS:

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

Trust and Agency Funds:

These funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These funds include: Expendable Trust, Nonexpendable Trust, Pension Trust and Agency Funds.

ACCOUNT GROUP:

General Long-Term Debt Account Group:

This account group presents the balance of general obligation long-term debt that is not recorded in proprietary or trust funds.

BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and certain other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

VILLAGE OF DECKERVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

BUDGETS AND BUDGETARY ACCOUNTING:

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year-end. The budgeted revenues and expenditures for governmental fund types, include any authorized amendments to the original budget as adopted.

Encumbrances represent commitments related to unperformed contracts for goods or services. The Village does not utilize encumbrance accounting.

CASH AND INVESTMENTS:

Cash includes amounts in petty cash and demand deposits. Investments include instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value.

State statutes authorize the Village to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 50% of any fund at any time. The Village is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

RECEIVABLES:

Receivables consist primarily of amounts for intergovernmental revenue and customer charges. An allowance for doubtful accounts has been established in those funds where it was determined to be necessary. Credit risk is minimal because of the large number of customers and the authority of the Village to add receivables to the tax rolls that are secured by the underlying property.

RESTRICTED ASSETS:

Certain proceeds of enterprise fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants and Michigan law.

FIXED ASSETS:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

VILLAGE OF DECKERVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

FIXED ASSETS, (continued):

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed over the estimated useful lives using the straight-line method.

Interest is capitalized on proprietary fund assets acquired with debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project.

LONG-TERM OBLIGATIONS:

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

FUND EQUITY:

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Contributed capital currently exists only in the enterprise funds. This capital has been used along with other Village resources to purchase or construct the water and sewer systems currently in use within the Village. In order to more accurately reflect the equity remaining in these contributions, the contributions are being amortized over the useful life of the assets they aided in constructing or purchasing.

INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

MEMORANDUM ONLY - TOTAL COLUMNS:

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with U.S generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Prior year memorandum total amounts have been updated for comparative purposes.

ESTIMATES:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF DECKERVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 2 – DEFINED CONTRIBUTION PENSION PLAN:

The Village maintains a defined contribution pension plan for its full-time employees.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions are to be determined, instead of specifying the amount of benefits the individual is to receive. Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on the investment of those contributions. The plan covers full-time employees after twelve months of continuous service who are at least twenty-one years of age. Covered employees become vested in the plan after twelve months of service. The plan specifies that the employer will contribute eight percent of contracted compensation and the employee can contribute between one to ten percent of their annual compensation. The contracted wages for covered employees for the audit period was \$ 94,593. The employer contributions were \$7,613 and the employee contributions were \$4,870 for the period. No plan provisions occurred during the year that affected the required contributions to be made by the Village or its employees.

NOTE 3 - FIXED ASSET SUMMARY:

A summary of proprietary fund type property, plant, and equipment at March 31, 2004 is as follows:

	<u>WATER & SEWER FUND</u>
Land	\$ 64,884
Wells & towers	723,717
Water line	653,612
Lift station	85,000
Sanitary sewer system	<u>1,015,000</u>
Total Costs	2,542,213
Less Accumulated Depreciation	<u>(1,958,456)</u>
Net Carrying Amount	\$ 583,757

All depreciation is computed using the straight-line method.

NOTE 4 - CASH AND INVESTMENTS:

DEPOSITS:

At year-end, the carrying amount of the Village's deposits was \$989,368 and the bank balance was \$997,494. Of the bank balance, \$588,625 was covered by federal depository insurance with the remaining balance uninsured and uncollateralized.

VILLAGE OF DECKERVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 5 - CONTRIBUTED CAPITAL:

Contributed capital currently exists only in the Enterprise Funds. This capital has been used along with other Village resources to purchase or construct the water and sewer systems currently in use or still in construction within the Village. In order to more accurately reflect the equity remaining in these contributions, depreciation expense on fixed assets acquired by grants, entitlements and shared revenues is closed to contributed capital rather than retained earnings.

NOTE 6 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of July 1. Taxes are levied on July 1 and are due in September. The Village bills and collects its own property taxes. Village tax revenues are recognized in the year of levy.

NOTE 7 - LEGAL COMPLIANCE - BUDGETS:

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or prior to March 31 of each year, a proposed budget is submitted to the Council for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1 the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Village Council.
5. Formal budgetary integration is employed as a management control device during the year for the general fund, debt service fund and special revenue funds.
6. Budgets for general, special revenue and debt service funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Village Council during the fiscal year. Individual amendments were not material in relation to the original appropriations that were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

NOTE 8 - RISK MANAGEMENT:

The Village is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by insurance purchased from independent third parties. Settled claims from these risks have not exceeded insurance coverage for the past three years.

VILLAGE OF DECKERVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 9 – DESIGNATED FUND BALANCE:

Portions of fund balance have been designated by the Village for specific purposes, and therefore are unavailable for future appropriation or expenditure. Current amounts designated in the general fund are:

Designated for Ambulance	\$ 95,528
Designated for fire equipment	<u>55,411</u>
Total	\$150,939

NOTE 10 – LONG-TERM DEBT:

General long-term debt of the Village consisted of and had the following provisions:

Note payable to Eastern Michigan Bank dated September 23, 2002. Five annual payments of \$46,748.39 including interest at a rate of 4.88% with a balloon payment due on September 23, 2008. Proceeds were used to purchase a 2002 fire truck which along with the full faith and credit of the Village in the security for the loan.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA

Robert L. Tuckey, CPA
Valerie Jamieson Hartel, CPA
Jamie L. Peasley, CPA

May 26, 2004

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Deckerville. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

VILLAGE OF DECKERVILLE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Taxes	\$ 242,366	\$ 270,129	\$ 27,763
Intergovernmental Revenue	117,100	118,716	1,616
License, Permits and Fees	1,190	2,419	1,229
Fines and Forfeitures	800	676	(124)
Charges for Services	106,230	156,311	50,081
Grants	52,635	52,150	(485)
Interest income	-	10,764	10,764
Miscellaneous	38,471	4,699	(33,772)
TOTAL REVENUES	<u>558,792</u>	<u>615,864</u>	<u>57,072</u>
EXPENDITURES:			
Administration	234,121	218,467	15,654
Fire Protection	110,369	62,888	47,481
Police	95,490	83,053	12,437
Ambulance	12,500	13,220	(720)
Public Works	50,296	47,989	2,307
Parks	56,016	53,783	2,233
TOTAL EXPENDITURES	<u>558,792</u>	<u>479,400</u>	<u>79,392</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>-</u>	<u>136,464</u>	<u>136,464</u>
OTHER FINANCING SOURCES (USES)			
Loan Proceeds	-	271,684	271,684
Loan Repayments	-	(39,051)	(39,051)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>232,633</u>	<u>232,633</u>
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	<u>-</u>	<u>369,097</u>	<u>369,097</u>
FUND BALANCE - APRIL 1	<u>147,577</u>	<u>147,577</u>	<u>-</u>
FUND BALANCE - MARCH 31	<u>\$ 147,577</u>	<u>\$ 516,674</u>	<u>\$ 369,097</u>

See the accompanying notes.

**VILLAGE OF DECKERVILLE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
YEAR ENDED MARCH 31, 2004**

	<u>MAJOR STREET</u>	<u>LOCAL STREET</u>	<u>TOTAL MARCH 31, 2004</u>
<u>ASSETS</u>			
Cash	\$ 79,184	\$ 93,772	\$ 172,956
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 79,184</u>	<u>\$ 93,772</u>	<u>\$ 172,956</u>
 <u>LIABILITIES & FUND EQUITY</u>			
Liabilities:			
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity:			
Fund balance:			
Designated	<u>\$ 79,184</u>	<u>\$ 93,772</u>	<u>\$ 172,956</u>
Total Fund Equity	<u>79,184</u>	<u>93,772</u>	<u>172,956</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 79,184</u>	<u>\$ 93,772</u>	<u>\$ 172,956</u>

See the accompanying notes.

VILLAGE OF DECKERVILLE
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE
YEAR ENDED MARCH 31, 2004

	<u>MAJOR STREET</u>	<u>LOCAL STREET</u>	<u>TOTAL MARCH 31, 2004</u>
REVENUE:			
Taxes	\$ 99,369	\$ 43,878	\$ 143,247
Intergovernmental revenue	67,451	17,946	85,397
Miscellaneous	3,985	904	4,889
	<u>170,805</u>	<u>62,728</u>	<u>233,533</u>
TOTAL REVENUE			
EXPENDITURES:			
Streets	103,464	50,476	153,940
	<u>103,464</u>	<u>50,476</u>	<u>153,940</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>67,341</u>	<u>12,252</u>	<u>79,593</u>
FUND BALANCE - APRIL 1	<u>11,843</u>	<u>81,520</u>	<u>93,363</u>
FUND BALANCE - MARCH 31	<u>\$ 79,184</u>	<u>\$ 93,772</u>	<u>\$ 172,956</u>

See the accompanying notes.

VILLAGE OF DECKERVILLE
MAJOR STREET FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Tax levy	\$ 90,105	\$ 99,369	\$ 9,264
Intergovernmental revenue:			
Gas & weight tax	66,950	67,451	501
Interest and other	<u>2,257</u>	<u>3,985</u>	<u>1,728</u>
TOTAL REVENUE	<u>159,312</u>	<u>170,805</u>	<u>\$ 11,493</u>
EXPENDITURES:			
Construction	46,373	46,645	(272)
Routine maintenance	<u>68,209</u>	<u>56,819</u>	<u>11,390</u>
TOTAL EXPENDITURES	114,582	103,464	11,118
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>44,730</u>	<u>67,341</u>	<u>22,611</u>
FUND BALANCE - APRIL 1	<u>11,843</u>	<u>11,843</u>	<u>-</u>
FUND BALANCE - MARCH 31	<u>\$ 56,573</u>	<u>\$ 79,184</u>	<u>\$ 22,611</u>

See the accompanying notes.

VILLAGE OF DECKERVILLE
LOCAL STREET FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Tax levy	\$ 40,080	\$ 43,878	\$ 3,798
Intergovernmental revenue:			
Gas & weight tax	17,766	17,946	180
Interest and other	-	904	904
TOTAL REVENUE	<u>57,846</u>	<u>62,728</u>	<u>\$ 4,882</u>
EXPENDITURES:			
Construction	-	4,383	(4,383)
Routine maintenance	57,346	46,093	11,253
TOTAL EXPENDITURES	<u>57,346</u>	<u>50,476</u>	<u>6,870</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>500</u>	<u>12,252</u>	<u>11,752</u>
FUND BALANCE - APRIL 1	<u>81,520</u>	<u>81,520</u>	<u>-</u>
FUND BALANCE - MARCH 31	<u>\$ 82,020</u>	<u>\$ 93,772</u>	<u>\$ 11,752</u>

See the accompanying notes.

VILLAGE OF DECKERVILLE
WATER & SEWER FUND
SCHEDULE OF CHANGES IN CONTRIBUTIONS IN
AID OF CONSTRUCTION
FOR THE YEAR ENDED MARCH 31, 2004

	Year Ended <u>March 31, 2004</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION - APRIL 1	\$ 320,938
LESS: Depreciation of fixed assets acquired from contributions in	<u>(30,322)</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION - MARCH 31	<u><u>\$ 290,616</u></u>

See the accompanying notes.

**VILLAGE OF DECKERVILLE
TRUST AND AGENCY FUNDS
BALANCE SHEET
MARCH 31, 2004**

PAYROLL FUND

ASSETS

Cash

\$ 1,465

TOTAL ASSETS

\$ 1,465

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable

\$ 1,465

Fund Equity:

Fund Balance:

Designated

-

TOTAL LIABILITIES & FUND EQUITY

\$ 1,465

See the accompanying notes.

ADDITIONAL INFORMATION

VILLAGE OF DECKERVILLE
GENERAL FUND
SCHEDULE OF REVENUE
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Taxes:			
Current property tax	\$ 242,366	\$ 270,129	\$ 27,763
Total Taxes	<u>242,366</u>	<u>270,129</u>	<u>27,763</u>
Intergovernmental Revenue:			
State revenue sharing	116,000	117,601	1,601
Liquor license	<u>1,100</u>	<u>1,115</u>	<u>15</u>
Total Intergovernmental Revenue	<u>117,100</u>	<u>118,716</u>	<u>1,616</u>
License, Permits and Fees			
Zoning fees	120	485	365
Franchise fees	<u>1,070</u>	<u>1,934</u>	<u>864</u>
Total License, Permits and Fees	<u>1,190</u>	<u>2,419</u>	<u>1,229</u>
Fines and Forfeitures			
Village fines	400	351	(49)
County fines	<u>400</u>	<u>325</u>	<u>(75)</u>
Total Fines and Forfeitures	<u>800</u>	<u>676</u>	<u>(124)</u>
Charges For Services:			
Trash collection	33,840	33,812	(28)
Fire protection	11,500	29,446	17,946
Ambulance protection	-	1,903	1,903
Building and equipment rental	60,820	91,010	30,190
Miscellaneous	<u>70</u>	<u>140</u>	<u>70</u>
Total Charges For Services	<u>106,230</u>	<u>156,311</u>	<u>50,081</u>
Miscellaneous Revenue:			
Grants	52,635	52,150	(485)
Interest income	-	10,764	10,764
Miscellaneous income	<u>38,471</u>	<u>4,699</u>	<u>(33,772)</u>
Total Miscellaneous Revenue	<u>91,106</u>	<u>67,613</u>	<u>(23,493)</u>
TOTAL REVENUE	<u>\$ 558,792</u>	<u>\$ 615,864</u>	<u>\$ 57,072</u>

See the accompanying notes.

VILLAGE OF DECKERVILLE
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES:			
Administrative:			
Salaries	\$ 69,327	\$ 67,965	\$ 1,362
Employee benefits	10,015	9,138	877
Election fees	1,288	1,033	255
Community promotion	8,000	5,984	2,016
Printing and publishing	2,900	2,653	247
Operating supplies	8,000	6,555	1,445
Professional fees	6,000	2,662	3,338
Trash fees	28,000	31,983	(3,983)
Telephone	2,800	3,536	(736)
Utilities	7,645	7,565	80
Street lights	16,784	15,737	1,047
Repairs and maintenance	13,000	27,538	(14,538)
Rental	13,000	14,411	(1,411)
Insurance & Bonds	7,945	9,469	(1,524)
Capital outlay	23,470	1,210	22,260
Miscellaneous	15,947	11,028	4,919
Total Administration	<u>234,121</u>	<u>218,467</u>	<u>15,654</u>
Fire Protection			
Salaries	4,300	4,729	(429)
Equipment rent	1,200	1,200	-
Insurance	6,888	10,261	(3,373)
Interest	16,831	7,697	9,134
Contracted services	13,300	13,300	-
Repairs and maintenance	6,000	9,849	(3,849)
Gas	650	1,014	(364)
Utilities	1,200	2,034	(834)
Miscellaneous	3,000	1,351	1,649
Capital outlay	57,000	11,453	45,547
Total Fire Protection	<u>110,369</u>	<u>62,888</u>	<u>47,481</u>

(Continued)

VILLAGE OF DECKERVILLE
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES, (Continued):			
Police Department:			
Salaries	\$ 69,265	\$ 66,829	\$ 2,436
Employee benefits	5,057	15	5,042
Supplies	500	544	(44)
Professional fees	1,000	-	1,000
Uniforms and cleaning	500	226	274
Gas	3,500	2,329	1,171
Insurance	5,668	6,482	(814)
Repairs	2,500	1,283	1,217
Rent-building	3,250	3,250	-
Miscellaneous	750	-	750
Capital outlay	3,500	2,095	1,405
	<hr/>	<hr/>	<hr/>
Total Police Department	95,490	83,053	12,437
	<hr/>	<hr/>	<hr/>
Ambulance:			
Salaries	800	2,360	(1,560)
Employee benefits	-	-	-
Supplies	-	-	-
Contracted service	-	-	-
Gas	-	-	-
Insurance	-	554	(554)
Repairs	9,000	7,491	1,509
Rent	2,400	2,400	-
Training	300	415	(115)
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total Ambulance	12,500	13,220	(720)
	<hr/>	<hr/>	<hr/>
Public Works Department:			
Salaries	15,004	16,638	(1,634)
Employee benefits	400	188	212
Gas	8,000	5,039	2,961
Utilities	3,000	2,200	800
Repairs	15,892	20,206	(4,314)
Insurance	2,000	1,743	257
Capital outlay	6,000	1,975	4,025
	<hr/>	<hr/>	<hr/>
Total Public Works Department	50,296	47,989	2,307
	<hr/>	<hr/>	<hr/>

(Continued)

**VILLAGE OF DECKERVILLE
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED MARCH 31, 2004**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES, (Continued):			
Parks			
Salaries	\$ 23,000	\$ 20,283	\$ 2,717
Employee benefits	7,750	7,957	(207)
Supplies	500	-	500
Utilities	1,491	1,373	118
Insurance	215	237	(22)
Repairs and maintenance	1,500	2,413	(913)
Equipment rent	8,500	10,353	(1,853)
Miscellaneous	3,060	194	2,866
Capital outlay	<u>10,000</u>	<u>10,973</u>	<u>(973)</u>
Total Parks	<u>56,016</u>	<u>53,783</u>	<u>2,233</u>
TOTAL EXPENDITURES	<u>\$ 558,792</u>	<u>\$ 479,400</u>	<u>\$ 79,392</u>

VILLAGE OF DECKERVILLE
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Water & sewer system sales	\$ 100,000	\$ 101,788	\$ (1,788)
Other services, charges & sales	19,702	23,474	(3,772)
Current tax collection	34,820	39,885	(5,065)
Interest income	32,478	7,249	25,229
	<u>187,000</u>	<u>172,396</u>	<u>14,604</u>
TOTAL REVENUE	<u>\$ 187,000</u>	<u>\$ 172,396</u>	<u>\$ 14,604</u>
EXPENDITURES:			
Operating Expenses:			
Salaries & wages	\$ 45,601	\$ 46,488	\$ (887)
Employee benefits	13,500	12,374	1,126
Operating supplies	2,000	2,748	(748)
Professional fees	5,000	1,900	3,100
Insurance	3,221	3,551	(330)
Utilities	8,000	8,763	(763)
Repairs & maintenance	46,000	46,454	(454)
Depreciation	47,478	54,710	(7,232)
Equipment rental	12,000	14,437	(2,437)
Capital Outlay	1,000	1,652	(652)
Miscellaneous	3,200	3,129	71
	<u>187,000</u>	<u>196,206</u>	<u>(9,206)</u>
Total Operating Expenses	<u>187,000</u>	<u>196,206</u>	<u>(9,206)</u>
TOTAL EXPENDITURES	<u>\$ 187,000</u>	<u>\$ 196,206</u>	<u>\$ (9,206)</u>

See the accompanying notes.

**VILLAGE OF DECKERVILLE
MAJOR STREET FUNDS
SCHEDULE OF EXPENDITURES
YEAR ENDED MARCH 31, 2004**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES:			
Construction:	\$ 46,373	\$ 46,645	\$ (272)
Routine Maintenance:			
Labor	18,000	17,544	456
Employee benefits	5,500	5,009	491
Insurance	1,074	1,184	(110)
Repairs	27,635	11,815	15,820
Traffic service	2,500	2,351	149
Pro service	500	-	500
Equipment rental	13,000	18,916	(5,916)
Total Routine Maintenance	<u>68,209</u>	<u>56,819</u>	<u>11,390</u>
TOTAL EXPENDITURES	<u>\$ 114,582</u>	<u>\$ 103,464</u>	<u>\$ 11,118</u>

See the accompanying notes.

VILLAGE OF DECKERVILLE
LOCAL STREET FUNDS
SCHEDULE OF EXPENDITURES
YEAR ENDED MARCH 31, 2004

EXPENDITURES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Construction:	\$ -	\$ 4,383	\$ (4,383)
Routine Maintenance:			
Labor	11,000	12,386	(1,386)
Employee benefits	8,000	5,047	2,953
Insurance	1,074	1,184	(110)
Repairs	24,772	17,300	7,472
Traffic service	500	1,352	(852)
Equipment rental	9,000	8,824	176
Supplies	3,000	-	3,000
	<u>57,346</u>	<u>46,093</u>	<u>11,253</u>
Total Routine Maintenance			
	<u>57,346</u>	<u>50,476</u>	<u>6,870</u>
TOTAL EXPENDITURES	<u>\$ 57,346</u>	<u>\$ 50,476</u>	<u>\$ 6,870</u>

See the accompanying notes.